ASSOCIATION OF
AMERICAN RAILROADS
ECONOMICS AND FINANCE DEPARTMENT
AMERICAN RAILROADS BUILDING
WASHINGTON, D.C. 20036

THIRD QUARTER 1980
R&E Series No. 703

RAILROAD REVENUES, EXPENSES, AND INCOME

CLASS I RAILROADS IN THE UNITED STATES a/

Account	For The THIRD QUARTER				For The 9 MONTHS Ended September 30			
	1980	1979	Increase 1980 over 1979 Amount	Percent	1980	1979	Increase 1980 over 1979 Amount	Percent
FREIGHT	6 521 350 688	5 943 974 555	577 376 133	9.7	19 327 410 230	17 193 640 632	2 133 769 598	12.4
PASSENGER	116 895 417	100 361 810	16 533 607	16.5	321 688 321	285 935 957	35 752 364	12.5
PASSENGER RELATED	3 112 221	2 959 664	152 557	5.2	8 539 904	15 578 835	D 7 038 931	D 70.0
ALL OTHER OPERATING REVENUE	350 671 211	350 732 165	D 60 954	.0	1 032 144 979	995 390 065	36 754 914	3.7
JOINT FACILITY ACCOUNT	2 937 481	6 015 821	D 3 078 340	D 51.2	10 874 169	16 337 931	D 5 463 762	D 33.5
TOTAL OPERATING REVENUES	6 994 965 118	6 403 566 035	591 374 083	9.2	20 740 657 606	18 505 989 419	2 234 668 036	12.1
DEPRECIATION-ROAD	67 286 161	65 951 463	1 332 698	2.0	201 806 760	194 629 611	7 177 149	3.7
ALL OTHER WAY AND STRUCTURES	1 320 199 361	1 234 232 213	85 967 148	7.0	3 958 125 067	3 755 914 964	202 436 013	10.7
TOTAL WAY AND STRUCTURES	1 387 485 522	1 300 183 676	87 301 846	6.8	4 160 131 827	3 950 544 667	209 587 160	10.5
DEPRECIATION-EQUIPMENT	233 038 961	207 173 563	25 865 398	12.5	680 336 338	626 670 144	53 666 226	8.6
ALL OTHER EQUIPMENT	1 325 317 399	1 293 505 302	31 812 097	2.5	4 075 781 666	3 814 733 155	261 048 511	6.8
TOTAL EQUIPMENT EXPENSE	1 558 356 360	1 500 678 865	57 677 495	3.8	4 756 120 004	4 441 403 299	314 716 705	7.1
TRANSPORTATION-TRAIN & YARD	2 765 378 603	2 621 807 666	143 570 937	5.5	8 362 850 166	7 333 907 559	1 028 942 607	14.0
TRANSPORTATION-SPEC.SERV. & ADM.	356 022 578	330 588 276	25 434 302	7.7	1 047 139 575	920 497 327	126 642 248	13.8
GENERAL AND ADMINISTRATIVE	575 946 110	516 496 359	59 449 751	11.5	1 705 713 074	1 535 131 733	170 581 341	11.1
TOTAL OPERATING EXPENSES	6 623 187 663	6 249 754 642	373 433 021	6.0	19 471 954 080	17 669 477 076	1 802 477 004	11.3
NET REVENUE FROM RAILWAY OPERATIONS	371 752 435	153 811 393	217 941 042	141.7	1 068 703 526	832 512 734	236 191 092	28.4
OTHER INCOME	226 727 652	202 139 479	24 588 173	12.2	725 627 034	591 448 072	133 178 962	22.5
DIVIDENDS FROM AFFILIATES	21 116 485	17 520 889	3 595 596	20.5	79 003 249	57 564 143	21 439 106	36.3
EQUITY IN UNDISTR. EARNINGS OF AFFIL.	27 418 820	43 090 459	D 15 671 639	D 36.4	113 488 459	117 137 045	D 3 648 586	D 3.1
TOTAL INC. FROM AFFILIATED COS.	48 535 314	60 611 348	D 12 076 034	D 19.9	192 491 708	195 371 188	D 2 879 480	D 1.5
MISCELLANEOUS DEDUCTIONS	65 706 154	49 906 206	15 799 948	31.7	169 333 345	154 258 180	15 075 165	28.1
INCOME AVAILABLE FOR FIXED CHARGES	581 109 247	366 656 314	214 453 233	58.5	1 817 184 223	1 484 960 214	332 515 009	22.4
INTEREST ON FUNDED DEBT	234 468 846	202 042 297	32 426 549	16.0	578 468 073	566 557 765	91 910 308	15.8
INTEREST ON UNFUNDED DEBT	20 816 481	10 501 150	10 315 331	98.2	85 458 891	79 328 914	26 129 977	85.1
AMORT. OF DISCOUNT ON FUNDED DEBT	2 008 373	2 069 608	D 61 235	D 3.0	6 058 611	6 147 112	D 138 501	D 2.2
TOTAL FIXED CHARGES	257 293 697	214 613 052	42 680 645	19.9	739 985 575	622 384 811	117 901 764	19.0
INCOME AFTER FIXED CHARGES	324 015 550	152 042 962	171 972 588	113.1	1 077 358 648	862 745 403	214 613 245	24.9
OTHER DEDUCTIONS	4 373 600	4 523 843	D 150 243	D 3.3	13 108 504	13 645 028	D 536 524	D 3.9
UNUSUAL OR INFREQUENT ITEMS (DR.) CR.	(DR) 6 669 427	(DR) 2 626 748	D 4 042 676	*	(DR) 32 433 677	(DR) 5 984 591	D 26 449 086	D 441.9
INCOME(LESS)FR.CONT.OPER.SEFD.INC.TAX	312 972 528	144 892 373	168 080 155	116.0	1 051 856 167	843 155 984	188 700 183	22.4
INCOME TAXES ON ORDINARY INCOME	63 362 701	54 686 595	8 676 106	15.9	186 931 001	153 254 273	33 676 728	22.0
PROVISION FOR DEFERRED INCOME TAXES	93 466 745	29 569 236	63 897 511	216.1	231 811 562	135 023 524	96 788 038	71.7
INCOME(LESS)FR.CONT.OPER.AFT.INC.TAX	156 143 082	60 636 544	95 506 538	157.5	633 113 204	554 878 187	58 235 017	10.5
INCOME(LESS)FR.OPER.OF DISCONT. SEG.	0	0	0		0	0	0	
GAIN(LESS) ON DISP. OF DISCONT. SEG.	0	0	0		0	0	0	
INCOME(LESS)BEFORE EXTRAORDINARY ITEMS	156 143 082	60 636 544	95 506 538	157.5	633 113 204	554 878 187	58 235 017	10.5
EXTRAORDINARY ITEMS (NET)	0	46 497	D 46 497		0	28 428 055	D 28 428 055	
INCOME TAXES ON EXTRAORDINARY ITEMS	0	0	0		0	0	0	
PROV. FOR DEF.TAXES-EXTRAORD. ITEMS	0	0	0		0	0	0	
CUM. EFFECT OF CHANGES IN ACCT.PRIN.	0	0	0		0	0	0	
NET INCOME(AFTER EXTRAORDINARY ITEMS)	156 143 082	60 683 041	95 460 041	157.3	633 113 204	583 426 242	29 806 962	5.1
INCOME FROM LEASE OF ROAD & EQUIP.	946 663	520 585	426 078	81.8	1 691 408	1 416 634	274 774	19.4
RENT FOR LEASED ROADS & EQUIPMENT	8 176 731	6 098 515	2 078 216	34.1	21 495 723	17 317 795	4 177 928	24.1
NET RAILWAY OPERATING INCOME	222 153 057	75 133 494	147 019 563	195.7	669 765 227	560 728 048	109 037 179	19.4
RATIO TO OPERATING REVENUES								
OPERATING EXPENSES	94.69	97.60			94.85	95.50		
OPERATING EXPENSES(INC.INC. TAXES)	96.53	98.91			96.87	97.06		
NET RAILWAY OPERATING INCOME	3.18	1.17			3.23	3.03		

RATE OF RETURN ON PROPERTY INVESTMENT b/

Year Ended September 30

	Net railway operating income (000)		Rate of Return	
	1980	1979	1980	1979
Eastern District	Def. $ 174 511	Def. $ 197 986	Def.	Def.
Southern District	402 390	347 787	6.22%	5.38%
Western District	690 000	650 439	4.23%	4.02%
United States	967 879	805 228	3.17%	2.64%

a/ See page 2, note a.

b/ Rate of return is calculated on the estimated net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits or accumulated deferred tax liabilities as prescribed by the Commission in Ex Parte 338/353 due to lack of available data on a quarterly basis. It is estimated that the new formula will produce a slightly lower return for the majority of carriers than does the formula used above.

December 8, 1980

RAILROAD REVENUES, EXPENSES, AND NET INCOME

NINE MONTHS ENDED SEPTEMBER 30, 1980 and 1979

Class I Railroads in the United States a/

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		INCOME BEFORE EXTRAORDINARY ITEMS	
	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979
EASTERN DISTRICT										
BALTIMORE & OHIO	$ 666 234 229	$ 645 131 131	$ 691 345 633	$ 678 914 593	$660 133 513	$638 307 438	$ 30 961 251	$ 37 879 605	$20 147 580	$ 23 967 502
BESSEMER & LAKE ERIE	74 445 011	80 994 235	83 280 812	89 712 300	57 153 292	59 451 299	12 583 891	15 373 591	14 991 318	16 470 847
BOSTON & MAINE	79 929 144	76 998 324	85 705 646	80 641 177	85 221 733	81 707 034	662 531	DEF 884 561	DEF 5 727 136	DEF 6 006 288
CHESAPEAKE & OHIO	658 948 451	553 400 926	693 463 878	586 369 794	612 275 112	545 023 565	52 098 446	27 170 189	77 349 218	67 525 820
CONRAIL	2 322 135 043	2 339 678 575	2 804 736 378	2 790 556 564	3 129 410 054	3 162 218 419	DEF 321 926 870	DEF 369 997 387	DEF 340 682 407	DEF 365 179 669
DELAWARE & HUDSON	83 553 839	71 555 894	86 662 451	73 758 649	89 857 227	79 483 734	DEF 3 140 646	DEF 5 722 522	DEF 5 223 046	DEF 7 524 274
DETROIT, TOLEDO & IRONTON	50 835 966	59 046 342	53 656 579	63 442 750	58 284 028	60 346 525	DEF 4 374 151	3 131 262	DEF 4 770 861	2 971 996
ELGIN, JOLIET & EASTERN	50 855 879	62 085 622	82 464 549	111 563 770	72 800 475	85 001 741	2 527 914	12 369 692	8 793 551	16 090 723
GRAND TRUNK WESTERN	131 810 000	147 701 000	141 248 000	159 616 000	148 354 575	159 528 739	DEF 4 176 111	92 129	DEF 4 470 650	1 241 438
LONG ISLAND	14 901 478	14 810 084	260 760 281	223 543 292	276 954 374	244 254 772	DEF 12 944 563	DEF 17 646 496	DEF 16 953 622	DEF 21 555 270
NORFOLK & WESTERN	1 102 378 493	1 018 837 822	1 140 350 000	1 057 370 000	912 449 632	837 462 358	131 504 437	132 044 064	150 973 110	141 453 811
PITTSBURGH & LAKE ERIE	57 612 314	52 106 133	61 381 024	57 234 550	48 208 966	42 118 302	12 095 308	10 286 444	2 488 225	8 287 300
WESTERN MARYLAND	65 708 468	52 432 869	68 579 110	56 611 511	60 218 985	43 761 509	5 320 437	8 564 708	6 228 288	8 769 572
SOUTHERN DISTRICT					HERN DISTRICT					
CLINCHFIELD	65 222 002	45 851 224	66 170 377	46 926 202	47 326 475	39 736 057	20 323 025	8 660 734	0	
FLORIDA EAST COAST	67 007 026	54 468 454	69 115 682	56 116 218	52 750 234	44 353 604	8 580 448	764 614	14 399 854	25 583 127
ILLINOIS CENTRAL GULF	653 062 000	557 709 000	713 949 000	611 462 000	730 366 000	643 734 000	DEF 12 734 000	DEF 30 187 000	DEF 29 629 000	DEF 28 284 000
LOUISVILLE & NASHVILLE	764 750 518	685 736 601	785 354 336	736 341 773	740 500 124	676 669 637	45 466 115	43 398 885	26 309 682	12 013 998
SEABOARD COAST LINE	869 370 505	734 079 056	899 871 021	758 907 903	811 066 542	690 227 455	81 108 546	72 771 920	130 153 082	88 637 472
SOUTHERN RY. SYSTEM	1 177 754 576	1 041 226 141	1 208 103 414	1 071 026 411	991 278 218	871 491 225	157 384 940	155 076 174	136 787 498	127 306 849
WESTERN DISTRICT					ERN DISTRICT					
ATCHISON, TOPEKA & SANTA FE	1 577 288 752	1 317 388 042	1 612 067 672	1 350 064 592	1 477 501 228	1 234 386 821	108 507 503	94 028 364	91 964 386	86 947 410
BURLINGTON NORTHERN	2 081 439 378	1 702 225 551	2 150 805 182	1 758 324 788	1 988 518 736	1 687 717 231	122 968 990	85 826 701	157 911 073	125 442 580
CHICAGO & NORTH WESTERN	608 397 037	480 688 211	675 396 553	537 536 362	668 865 335	565 079 786	8 901 587	DEF 26 279 199	DEF 8 077 282	DEF 41 866 580
CHICAGO,MIL.,ST.PAUL & PAC.	246 329 772	260 869 356	284 383 658	329 161 768	504 630 467	424 657 120	DEF 221 369 508	DEF 95 466 014	DEF 171 014 020	DEF 83 396 290
COLORADO & SOUTHERN	91 381 545	62 130 161	93 385 839	63 529 720	52 145 385	68 065 628	2 912 530	DEF 2 273 758	15 468 606	8 788 583
DENVER & RIO GRANDE WESTERN	203 231 412	184 855 343	208 411 746	189 752 755	177 696 017	160 134 570	20 806 305	19 927 344	16 748 348	19 992 944
DULUTH, MISSABE & IRON RANGE	69 441 637	71 382 411	72 737 322	74 350 370	55 311 355	57 080 826	8 013 779	7 883 416	10 526 691	9 190 077
FORT WORTH & DENVER	99 502 259	65 235 114	102 320 541	66 912 969	86 230 510	54 296 171	10 478 674	10 337 597	10 785 640	10 638 249
KANSAS CITY SOUTHERN	190 656 830	145 738 837	203 256 659	158 498 933	177 355 561	141 661 594	19 173 355	13 676 091	17 749 258	12 672 156
MISSOURI-KANSAS-TEXAS	148 640 000	112 433 000	156 605 000	117 607 098	149 434 218	117 211 456	7 969 338	5 571 248	2 596 661	2 175 135
MISSOURI PACIFIC	1 195 051 749	1 001 924 445	1 232 931 228	1 036 201 571	1 077 350 706	908 507 255	122 670 408	102 875 246	89 814 403	72 967 267
ST.LOUIS-SAN FRANCISCO	367 863 049	310 511 044	379 276 528	320 613 126	341 749 535	296 955 480	30 450 406	21 823 692	20 298 736	10 468 887
ST.LOUIS SOUTHWESTERN	215 791 000	191 200 000	219 009 128	193 133 591	195 852 562	160 083 022	18 327 343	31 147 744	14 000 713	32 741 727
SCL LINE	225 677 626	199 037 577	230 562 800	203 731 955	195 654 459	179 102 737	24 914 268	16 182 111	24 003 742	15 548 350
SOUTHERN PACIFIC CO.	1 471 177 000	1 393 827 000	1 518 463 479	1 429 707 503	1 497 032 366	1 387 750 754	20 938 977	37 841 788	12 142 524	47 572 282
UNION PACIFIC	1 444 862 051	1 245 822 107	1 468 617 900	1 268 522 752	1 267 626 671	1 094 193 222	161 518 324	133 054 142	124 372 041	103 254 696
WESTERN PACIFIC b/	134 214 000	120 523 000	136 188 000	123 225 000	134 389 000	121 586 000	1 262 000	1 403 000	2 982 000	1 970 000
EASTERN DISTRICT	5 359 348 315	5 174 778 957	6 253 634 341	6 029 334 950	6 211 321 970	6 043 705 435	DEF 98 808 130	DEF 147 337 092	DEF 96 881 432	DEF 103 486 692
SOUTHERN DISTRICT	3 597 266 627	3 119 070 476	3 742 563 830	3 250 780 507	3 373 287 993	2 966 261 978	300 129 078	250 484 427	278 321 116	225 257 406
WESTERN DISTRICT	10 370 895 097	8 859 791 199	10 744 459 735	9 220 874 353	10 087 344 117	8 658 509 663	468 444 275	457 580 353	431 973 520	413 107 473
GRAND TOTAL - UNITED STATES	19 327 410 039	17 153 640 632	20 740 657 906	18 500 989 810	19 671 954 080	17 668 477 076	669 765 227	560 728 098	611 113 204	554 878 187

a/ Data for 1979 and 1980 exclude Chicago, Rock Island and Pacific as their data is not available.

b/ Statistics for the second and third quarters of 1979, first, second and third quarters of 1980 are those for the Western Pacific Railroad System, a newly formed company which purchased the assets and business of the former Western Pacific Railroad System (Old West Rail) as of April 1, 1979. Statistics for the first quarter of 1979 are for the latter.

OPERATING INCOME ACCOUNT - UNITED STATES - 9 MONTHS

ENDED SEPTEMBER 30, 1976 to 1980

Class I Railroads In The United States

Amount	1980 a/	1979 a/	1978	1977	1976
Freight	519 327 410 039	517 193 640 632	514 831 672 623	513 924 870 927	512 984 679 008
Passenger	321 688 921	285 909 553	265 803 643	249 167 835	244 322 192
Passenger related	8 539 904	10 670 835	6 991 436		
All other operating revenues	1 072 144 873	995 390 859	753 423 698	626 114 379	593 794 853
Joint facility account	10 874 169	13 327 931	14 192 613		
Total operating revenue	20 740 657 906	18 500 989 810	15 872 090 013	14 800 153 141	13 822 186 058
Total way and structures expense	3 800 130 827	3 440 547 667	2 993 202 897		
Total equipment expense	4 756 120 038	4 441 403 299	4 020 853 961		
Transportation - train & yard	8 362 850 166	7 330 907 550	6 331 432 963	Detail not available on a	
Transportation - spec. serv. & adm.	1 042 139 975	920 487 432	826 250 387	comparable basis.	
General and administrative	1 705 713 074	1 535 131 233	1 465 683 342		
Total operating expenses b/	19 671 954 080	17 668 477 076	15 342 420 752	14 401 080 231	13 308 033 126
Net revenue from operations	1 068 703 826	832 512 734	529 669 261	393 072 910	515 160 932
Other income c/	725 522 036	591 543 072	478 073 393	352 414 424	438 810 245
Total income from affiliated cos.	192 491 708	195 071 188	95 844 843	168 795 908	166 410 429
Miscellaneous deductions	169 333 345	134 257 780	144 684 596	62 020 321	66 008 302
Total fixed charges	739 983 575	622 083 811	575 726 644	498 989 829	477 732 670
Other deductions	13 108 504	13 645 028	14 063 235	13 793 077	20 706 251
Unusual or infrequent items (dr.) cr.	Dr. 32 433 977	Dr. 5 984 391	Dr. 2 456 786	0	1 177 189
Income taxes on ordinary income d/	186 931 001	153 754 273	115 489 060	64 102 322	145 501 701
Provision for deferred income taxes	231 811 962	135 023 524	85 587 334	108 750 072	55 969 823
Income (loss) from cont. oper. after inc. tax	613 113 204	554 878 187	Def. 39 419 958	164 827 319	255 229 848
Income (loss) before extraordinary items	613 113 204	554 878 187	Def. 39 419 958	164 827 319	255 229 848
Net income (after extraordinary items)	613 113 204	583 306 242	Def. 39 419 958	176 433 344	295 887 848
Net railway operating income	669 765 227	560 728 098	145 969 087	234 863 049	335 628 885

a/ Data for 1980 and 1979 exclude Chicago, Rock Island and Pacific as their data is not available.

b/ Total operating expenses for years 1977 and 1976 partially estimated.

c/ Other income for years 1977 and 1976 partially estimated.

d/ Income taxes on ordinary income exclude state income taxes for years 1977 and 1976.

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON-MILES AND CAPITAL EXPENDITURES

Class I Railroads in the United States
By Quarters, 1976 - 1980

(All amounts in thousands)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
TOTAL OPERATING REVENUES					
1976	$ 4 372 737	$ 4 771 064	$ 4 687 344	$ 4 741 780	$ 18 559 726
1977	4 694 975	5 220 326	4 959 852	5 068 445	19 946 814
1978	4 771 585	5 752 333	5 396 857	5 903 295	21 836 194
1979 c/	5 626 112	6 471 312	6 403 566	6 851 010	25 352 000
1980 c/	6 802 415	6 958 992	6 994 940		
TOTAL OPERATING EXPENSES a/					
1976	$ 4 267 994	$ 4 533 633	$ 4 518 264	$ 4 603 927	$ 17 896 399
1977	4 617 829	4 896 020	4 897 825	4 894 531	19 299 142
1978	4 902 833	5 372 125	5 266 488	5 581 189	21 129 788
1979 c/	5 477 306	5 941 773	6 249 755	6 424 192	24 098 654
1980 c/	6 404 180	6 662 165	6 623 188		
ORDINARY INCOME (After Fixed Charges)					
1976	$ 22 721	$ 152 819	$ 78 117	$ 21 056	$ 272 522
1977 b/	Def. 9 415	246 194	1 362	116 781	358 607
1978 b/	Def. 255 137	234 732	29 597	234 291	257 816
1979 c/	49 156	446 377	60 637	335 797	888 631
1980 c/	274 016	183 861	156 143		
NET RAILWAY OPERATING INCOME					
1976	$ 65 661	$ 150 462	$ 115 999	$ 101 665	$ 430 418
1977 b/	31 436	248 369	28 555	119 206	432 914
1978 b/	Def. 133 034	269 330	56 487	245 368	445 632
1979 c/	83 445	400 518	75 133	298 113	851 508
1980 c/	269 987	175 129	222 153		
REVENUE TON-MILES					
1976	191 680 962	203 002 271	197 783 583	200 814 452	791 442 303
1977	195 911 469	216 023 444	205 266 541	208 661 554	826 202 325
1978	188 124 434	230 434 523	210 507 201	227 091 437	858 105 405
1979 c/	205 302 854	235 301 026	227 659 684	235 117 196	902 058 503
1980 c/	233 003 289	227 599 606	222 427 264		
CAPITAL EXPENDITURES					
1976	$ 336 791	$ 372 332	$ 512 072	$ 497 973	$ 1 724 708
1977	427 451	486 265	611 070	758 197	2 291 153
1978	560 240	679 997	612 249	949 081	2 738 237
1979 c/	669 142	767 416	856 131	1 036 921	3 323 174
1980 c/	855 082	897 857	772 164		

Def. - Denotes Deficit.

a/ Operating expenses partially estimated and include state income taxes if any, prior to first quarter, 1978.

b/ Includes first, second and third quarter Long Island adjustments to reflect ICC change in accounting, requiring subsidies (Accounts 502 and 503) to be included in operating revenues. This adjustment was $25 million per quarter for 1977 and about $20 million per quarter in 1978.

c/ Data for 1979 and 1980 exclude Chicago, Rock Island and Pacific Railroad as their data is not available.